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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/541,391	03/31/2000	Rick Dedrick	042390.P7954	3488

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EXAMINER
ABDI, KAMBIZ

ART UNIT	PAPER NUMBER
3621	

DATE MAILED: 09/03/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/541,391	DEDRICK ET AL.	
	Examiner	Art Unit	
	Kambiz Abdi	3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *08 August 2002* .

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-24* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-24* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) *4* .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

1. Claims 1-24 are have been examined.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. Claims 1-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,189,146 to Pradyumna K. Misra in view of 5,765,152 to john S. Erikson, and 6,269,343 to Matthew G. Pallakoff.

4. As for claims 1-24 Misra does clearly teach an apparatus comprising;

Claims 1, 10, 17; a repository for storing a volume license agreement (See Misra column 6, lines50-68 and column 7, lines 1-11) ;

Claims 1, 10, 7; a repository for maintaining a purchase history (See Misra tables 3 and 4, column 9, lines 29-61, and column 4, lines 15-30) ;

Claims 1, 10; a purchase generator (See Misra figures 3 and 4, column 2, lines 32-61).

Claim 2; a clearinghouse, the clearinghouse being remotely connected to the pricing generator over a communications network (See Misra figures 1 and 3, column 3, lines 59-68, and column 4, lines 1-13).

Claims 24, 3; the communications network is the Internet (See Misra column 4, lines 1-21).

Claim 4; the clearinghouse is further remotely connected to at least one of a plurality of publishers, the publishers periodically transmitting a new volume licensing agreement to the clearinghouse (See Misra column 2, lines 47-68).

Claim 5; the clearinghouse is further remotely connected to at least one of a plurality of distributors, the distributors periodically transmitting a new volume licensing agreement to the clearinghouse (See Misra column 2, lines 47-68).

Claim 6; purchase history is updated to reflect the transacted purchase (See Misra tables 3 and 4, column 4, lines 15-30, and column 9, lines 29-61).

Claim 9; an electronic distribution mechanism to automatically install the purchased product (See Misra column 6, lines 20-45 and column 8, lines 35-52).

Claim 13; include instructions to extract the volume license agreement from a remote clearinghouse (See Misra column 4, lines 49-68).

Claim 14; storing instructions further include extracting updated information about the products license under the volume licensing agreement (See Misra column 11, liines 25-45 and column 15, lines 19-36).

Claim 19; recording a history of purchases includes recording a point value associated with the purchase in accordance with the volume license agreement (See Misra column 2, lines 22-47 and column 4, lines 1-42).

Misra fails to teach the following features which are thought by Pallakoff and Erikson.

Cliam 1; a pricing generator to generate a purchase price for the product in accordance with the volume license agreement and the purchase history (See Pallakoff column 7, lines 15-59).

Claims 7, 15; a rules engine containing a set of rules for determining a discount step (See Pallakoff column 7, lines 15-59).

Claims 8, 16, 21, 23; the rules engine further contains a set of rules for determining a discount step for the product in accordance with a profile of the user (See Pallakoff column 7, lines 15-59 or Erikson column 19, lines 45-60).

Claim 1; the purchase price is generated in response to a purchaser request (See Pallakoff column 7, lines 30-59).

Claims 11, 12; communicating the purchase price to the user in a visual display (See Pallakoff column 4, lines 42-63).

Claims 18, 22; communicating the approval by the user to purchase in a response to the visual display (See Pallakoff column7, lines 5-30).

Furthermore, Misra does not clearly teach a method of pricing of the digital content being licensed, distributed and managed through its system. Even though Misra eludes to the collection of purchase history but Misra is not clear about the purpose of this data being used for eventual pricing of the digital content to be delivered through the system. However, it is well known within the art that volume purchase is a well established business practice. The notion of a customer's repeated volume purchase of a certain goods or services is well known. At the same time a user of this goods or services by increasing its volume has a better chance of getting a lower price for the goods or services. These are all established practices that have been conducted manually for many years (See applicants discloser page 2, paragraph 3 and page 3, paragraph 1 and 2). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have added a well-known practice of volume discount pricing method in conjunction with a past buying behavior method to a license management system. Since it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. *In re Vernner*, 120 USPQ 192. This combination would have been obvious to one of ordinary skill in the art for greater efficiency and economy in the management of licensing and pricing of volume discounted goods or services.

Response to Arguments

5. Applicant's arguments filed on August 8, 2002 have been fully considered but they are not persuasive.

Applicant argues the Examiner's use of Official Notice that it was well known in the art at the time of the applicant's invention that the practice of Volume License Agreement was practiced for lowering the purchase price of software. Usually this was done in conjunction with the keeping a historical purchase habits of the customers. The applicant clearly admits to the fact that purchase pricing can be directly related to the purchase history. The applicants attention is drawn to the "Background Information" of the application discloser page 2, paragraph 3 and page 3, paragraph 1 and 2. Applicant clearly states the need and the practice of "volume license agreement". It addition it is clear that applicant is referring to a prior art that is clearly teaches the VLA method though be it a manual process (See application discloser page 3, paragraph 2, lines 3-11). Further the applicant's attention is drawn to Erickson column 19, lines 45-59, it clearly discloses a database of past purchase information and related psychographics or demographic information to authorized clients to access for any further usage such as volume discount. The applicants attention is drawn to the office action dated June 26, 2002. Examiner notes that Applicant's attempt to challenge the Examiner's taking of Official Notice has not provided adequest information or argument so that *on its face* it creates a reasonable doubt regarding the circumstances justifying the Official Notice. However, Examiner has cited a veriety of refernces along with this Office Notice and why Volume License Agreement, keeping purchase history, and pricing based on these elements would have been obvious to one of ordinary skill in the art. For example;

- Shkedy, Gary, 6260024, Method and apparatus for facilitating buyer-driven purchase orders on a commercial network system.
- Carter, III; Thomas J., 5878400, Method and apparatus for pricing products in multi-level product and organizational groups.
- Katz, P. A., 5224034, Automated generation of product procurement lists e.g. by purchaser of discount regime - generating list of selected products w.r.t. minimisation result of volume discount regime, and using linear programming model to obtain optimum result for given constraints.

6. In response to applicant's argument that time and date restrictions on a purchase of goods or services such as volume discount purchasing of software, contrary to the assertion of the applicant the

purchase history could well be used in this method as to justify the volume purchase but with a limited time for purchase, just like time limits on discount coupons, (See applicants description page 2, lines 7-19). The fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

7. Thus, it is for these reasons that Examiner believes taking Official Notice is proper and that pricing based on Volume License Agreement and purchase history was well known at the time of the applicant's invention. Examiner also submits that the citation of the references above has been added as evidence to substantiate the prior Official Notice statement, does not result in a new issue, and therefore this action will be made final.

Conclusion

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure U.S. Patent to:

Blaine Garst, 6,188,995; Method and Apparatus for Enforcing Software Licenses.

Gordon E. Larose, 6,108,420; Method and System for Networked Installation of Uniquely Customized, Authenticable, and Traceable Software Application.

Gary Shkedy, 6260,024; Method and Apparatus for Facilitating Buyer-Driven Purchase Order on a Commercial Network System.

James W. O'Toole, 6,279,112; Controlled Transfer of Information in Computer Networks.

Richard V. Halbert, 6,101,484; Dynamic Market Equilibrium Management System, Process and Article of Manufacture.

Edgar Down, 6,226,618; Electronic Content delivery system.

Utility of volume discount and progressive lowering of the price of goods or services is a well known within the art. The use of this method of bulk buying and volume discount is a known practice and has been anticipated. To utilize this method in an automated manner does not render it patentable.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kambiz Abdi whose telephone number is (703) 305-3364. The examiner can normally be reached on 9:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703)308-1113.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington D.C. 20231

or faxed to:

(703) 305-7687 [Official communications; including After Final communications labeled "Box AF"]

(703) 746-7749 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to:

Crystal Park 5, 2451 Crystal Drive

7th floor receptionist, Arlingt n, VA, 22202

Abdi/K
August 28, 2002

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